

Financial Management Policy for Area and Preschool

The Board of Trustees / Council is required to monitor and control school expenditure, and in doing so ensure the financial practices of the school meet all legislative requirements in particular all Ministry of Education requirements, the National Administration Guidelines (NAGs) and the Licensing Criteria for Early Childhood Education and Care Centres 2008.

The purpose of this policy is to ensure that the school follows clear and proper financial and accounting practices which will enable it to report accurately to the school community.

Planning

A draft annual budget is developed by the Principal and presented to the Board / Council for ratification. This will be completed in Term 4 of the preceding year. Budgeting shall reflect the Board / Council strategic objectives and not risk financial jeopardy or fail to show a generally acceptable level of foresight. Thus the budget shall:

- Reflect the results sought by the Board / Council.
- Reflect the priorities as established by the Board / Council.
- Comply with the Board / Council requirement of a balanced budget.
- Ensure adequate working capital.
- Demonstrate an appropriate degree of conservatism in all estimates.

Management

The financial viability of the organisation must be protected at all times. Therefore, the Principal shall not:

- Incur unauthorised debt.
- Violate generally accepted accounting practices or principles.
- Use tagged funds for purposes other than those approved.
- Spend more funds than have been allocated in the fiscal year.
- Fail to ensure all money owed to the school is collected in a timely manner.
- Fail to make timely payment to staff and other creditors.
- Sell or purchase property without authority.
- Spend on single items beyond a Board-established limit.
- Fail to ensure that all relevant government returns are completed on time.

- Fail to ensure that no one person has complete authority over the school's financial transactions.
- Authorise any individual capital improvement greater than \$50,000 without council approval
- Authorise any international travel for the Principal without Chairperson approval

The Principal is delegated the responsibility for the day to day financial management of the school within the agreed budget guidelines. He/she will develop the following procedures:

- Annual Budget Preparation
- Audit Trails
- Cash Reserves and Associated Budget
- Curriculum Budgeting
- Family Discount
- Property and Financial Reporting Calendar
- Financial Delegations
- Financial Operation
- Financial Review
- Internal Control
- Investment of Funds
- Long Term Planning and Property Management
- Theft and Fraud Prevention

Signature of Chairperson, Wā Ora Montessori School _____

Date _____